WTO and Agriculture

What's at Stake for California?

California is the largest producer of agricultural products and the top exporter. The state's exports reached an estimated \$7.7 billion in 1997, up from \$5 billion in 1991. These exports help boost farm prices and income, while supporting about 156,000 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports are increasingly important to California's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports rose from 28% to 30% since 1991.

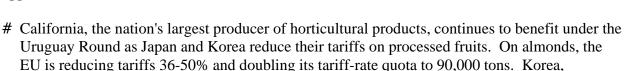
California's top five agricultural exports in 1997 were:

- # vegetables and preparations -- \$2 billion
- # fruits and preparations -- \$1.8 billion
- # tree nuts -- \$1.2 billion
- # cotton -- \$374 million
- # rice -- \$185 million

World demand for these products is increasing, but so is competition among suppliers. If California's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

California Producers Benefit from Trade Agreements

California is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for California include:



Thailand, and Malaysia are cutting tariffs on almonds, walnuts, pistachios, and other nuts.

- # The nation's 2nd largest citrus producer, California benefits under the Uruguay Round as Japan lowers its tariffs to 32% (in-season) and 16% (out-of-season) for oranges. Korea is establishing a tariff-rate quota for oranges and reducing its lemon tariffs to 30%. Japan and Korea are reducing their tariffs on fresh grapefruit to 10% and 30%, respectively.
- # Under the Uruguay Round, the EU is reducing its tariff on U.S. wine from 30.9 cents to 19.8 cents per liter by 2000. Japan is reducing its tariff from 21.3% to 15% by 2000.
- # The nation's 2nd largest cotton producer, California benefits under NAFTA with new rules of origin that have increased demand for U.S. textiles in Canada and Mexico. Mexico will phase out its 10% tariff for cotton by 2004.

